

**FEDERAL PUBLIC DEFENDER**

NORTHERN DISTRICT OF CALIFORNIA  
SAN JOSE DIVISION  
160 WEST SANTA CLARA STREET, SUITE 575  
SAN JOSE, CA 95113

**BARRY J. PORTMAN**  
*Federal Public Defender*

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March 13, 2008

**FILE COPY**

Waseem Iqbal  
U.S. Probation Office  
280 S. First Street, Suite 106  
San Jose, CA 95113

Re: U.S. v. Dominic Chang

Dear Officer Iqbal:

I am forwarding the original of Dominic Chang's net worth/cash flow statement. You will see that as to assets, Mr. Chang has transferred no property since his arrest/initial appearance, and that no assets are being held by anyone on his behalf. He has, however, asked me to explain why the business that he once owned is now owned solely by his ex-wife and current girlfriend, and to provide a summary of the business assets in the event that Probation or the government disagrees with his understanding of his interest in that business identified in Section K:

Ms. Lam was added to the Milpitas business license at or near the time of their marriage, because Mr. Chang was experiencing considerable financial difficulties as a result of his gambling history. Ms. Lam took on the responsibility of managing the finances of the business, and also expended a significant amount of her own money into settling some of the business' past due accounts.

As Mr. Chang reported in his interview, he received the notice of the IRS audit very shortly before his wedding to Ms. Lam. This caused her family a great deal of distress and eventually led to the couple's divorce, because of both family pressure and the desire to protect Ms. Lam's separate property (e.g., the home that she owned prior to their relationship and marriage, the money she had put into the business). The business license itself is no longer transferable, because the City of Milpitas is reportedly discouraging auto mechanic businesses for reasons relating to environmental hazards and community/economic development. The license is therefore not believed to have any pecuniary value.

The business assets consist primarily of its equipment, which Mr. Chang purchased several years ago for a combined cost of approximately \$12,000. These assets belong to the business and Ms. Lam, and Mr. Chang retains no ownership interest or expectation in them. In addition, Mr. Chang believes that certain fixed machinery (accounting for approximately \$8,000 of the original \$12,000 cost) would not have resale value because the labor costs associated with

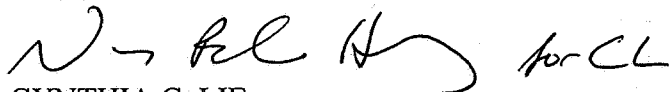
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removing/relocating them would be exceed their depreciated value and also potentially their replacement cost. To the extent that the business assets include customer good will, it is believed that this is contingent upon Mr. Chang's continued employment there, rather than associated with the business as an independent entity.

Please let me know if you have questions or concerns regarding this information. I am currently out of the office on leave, but will return March 26, 2008.

Very truly yours,

BARRY J. PORTMAN  
Federal Public Defender

A handwritten signature in black ink, appearing to read 'C. Lie', followed by a flourish and the initials 'for CL'.

CYNTHIA C. LIE  
Assistant Federal Public Defender

CCL/sfb

Encl.2

cc: Thomas Moore, AUSA